

COUNTRY Austria/USSR  
SUBJECT Cancellation of Orders by USIA-Controlled Factories  
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1. On the occasion of a session of the Austrian cable cartel on 2 May 1948, it was revealed that, beginning about 2 May 1948, all USIA enterprises had cancelled among themselves all orders for items representing investments of any sort in USIA plants, as well as for articles deliverable in more than six months. Opinion at the meeting was divided as to whether the cancellations were occasioned by the deteriorating international situation or by a desire to cease further investments in expectation of the Austrian State Treaty, since under a state treaty the industries would return to Austrian control. All were agreed, however, that this move was doubtless dictated from high Soviet quarters.

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2. It was learned about the same time that the Soviets [REDACTED] Comment: Possibly the USIA complex is meant here) had begun to cancel orders for goods and services placed with non-USIA enterprises. For example, the Siemens-Schuckert, Vienna I, Nibelungengasse (non-USIA) plant about 15 April 1948 began some heavy electrical installation in the USIA-controlled Mannesmann-Trautzel works, manufacturers of oil well machinery, and in the Floridsdorf Lokomotivfabrik. On 3 and 4 May 1948, respectively, and without explanation by the Soviets, the work in these plants was ordered stopped, and the contract cancelled. [REDACTED] Comment: This work, which would have contributed to increased activity of both plants, represented a considerable investment on the part of the Soviets.)

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